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MR. NESSEN: Do you want a little trivia on New York City?

Q Sure.

MR. NESSEN: Here is a front page of the -- no, it is not the bond buyer today, it is the Tallahassee Sun Democrat of December 11, 1932. It shows a picture of Governor Franklin Roosevelt saying New York City's finances temporarily were saved when President-elect Roosevelt rushed from a winter vacation at Warm Springs, Georgia into a conference at his New York residence with bankers and city officials.

An agreement to pare \$20 million from the city budget -- most of them salaries -- brought aid from the banking group and prevented the city from defaulting on \$40 million indebtedness. At the left is Winthrop Aldridge, banker, who conducted the negotiations for his group.

Q What happened to the employees?

Q And Jerry Ford?

Q Herbert Hoover?

MR. NESSEN: This is Governor Roosevelt as he arrived from Georgia and this is the comptroller as he arrived --

Q Ron, how did you get that? That is an intriguing thing. What is your source for that?

MR. NESSEN: I just keep up with every little thing. (Laughter)

Q I was just wondering, if I could ask this, what was the President's reaction to Senator Church's description of Dr. Kissinger as Prime Minister of the United States?

MR. NESSEN: On Senator Church's comments concerning the CIA and George Bush, I think I ought to let you know what the President's feelings about that were.

Q That was my next question.

MR. NESSEN: As I understand it, there were two aspects to Senator Church's charges and he appears to be more interested in headlines than in conducting an investigation.

Q Is that the President saying that?

MR. NESSEN: No, that is me. That is the political Press Secretary.

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Q We need the President's.

MR. NESSEN: The President's view is that -- first on the subject of George Bush serving as head of the CIA after, at one point in his career, I believe, serving as Republican National Chairman -- George Bush has experience as a UN Ambassador for which he was confirmed unanimously by the Senate and he has experience as Representative in the People's Republic of China. In addition, he has service in the Congress and he has a distinguished military record. He is also a close friend of the President's. He is respected, liked and trusted by the President.

The President believes he will do an outstanding job at the CIA. The President also believes that the fact that he has run for public office before will tend to make him more sensitive to public interests and public desires and, as I have seen written a number of times, there has been a desire expressed publicly by some that someone from outside the intelligence community take this job and --

Q Is that your view or the President's?

MR. NESSEN: All this is the President's view.

Q You mean even the more interest in seeking headlines? That was yours.

MR. NESSEN: That was mine.

Q Then what was the President's reaction to the Prime Minister?

Q Continue.

MR. NESSEN: The second aspect, continuing, clearly service as an official of a political party does not and should not disqualify someone for higher public service. I suppose if it did Scoop Jackson would, I suppose, have to think about his service.

Q Is he running for the CIA?

MR. NESSEN: I thought he was a United States Senator.

Q Is he running for the CIA? That is what we are talking about.

MR. NESSEN: But it does not appear to disqualify a man for higher public service.

Q Would it not be less appropriate for a Director of the Central Intelligence Agency to have in mind a continuing political future while at the agency?

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MR. NESSEN: I don't know what George's views on his future are but the President certainly believes that he is the best man for this job.

On the other aspect of Church's remarks which are that the appointment of Bush and the retirement of Bill Colby will somehow hamper his investigation, is simply not true. I think some of you know that Bill Colby is in this morning talking to the President. The President wishes him to stay on at this CIA position until such time as George Bush is confirmed, and I believe that will happen but --

Q Is that what he asked him today?

MR. NESSEN: They are meeting now on that subject.

Q Had Colby planned to leave this week? Isn't that true?

MR. NESSEN: I don't think that was ever really quite arranged as to when he would leave.

Q Ron, was this an afterthought?

MR. NESSEN: Was what an afterthought?

Q Asking him to stay on? Why didn't he take it up with him at the time he informed him of his decision?

MR. NESSEN: Well, I don't know Bill, but anyhow it is a matter that will be decided today, but however it comes out it is not going to affect the Church Committee investigation because Colby will be available to testify presumably continuing as CIA Director but, if not, certainly as a private citizen just as people like John McCone, private citizen, has testified. It certainly will not hamper the procedures for obtaining all the documents they need.

The President, as he said the other night, will give George Bush the exact instructions that he gave Bill Colby and everybody else in the Government, which is to fully cooperate with the Congressional investigations and fully cooperate with the Justice Department. So Frank Church is wrong. It will not in any way disrupt his investigation.

Q Ron, does the appointment of George Bush to the CIA mean that his political future for 1976 is at least out, that the President has removed him from all considerations for Vice Presidential possibilities?

MR. NESSEN: You know, the President the other night said that it is much too soon to think about 1976.

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Q Does the President feel that it is much too soon to consider whether or not the next CIA Director should be removed from any consideration?

MR. NESSEN: Is he under consideration, Phil?

Q I said does he feel that he should not be?

Q The President won't say whether he is under consideration.

MR. NESSEN: For what?

Q Vice President.

MR. NESSEN: Nobody is under consideration at the moment, as the President said the other night.

Q There are people who are not under consideration. Which ones are those?

Q Does the President feel that Mr. Bush specifically should say that he is not interested and would not want the Vice Presidency himself?

MR. NESSEN: Phil, you know, whatever consideration these burning issues may get out there, they have not gotten any consideration here.

As the Washington Post said today --

Q Let's have a little more on Colby. What time did he come in? Was he requested to come in specifically by the President so the President could ask him if he would stay on? Is the meeting over?

MR. NESSEN: The meeting is just over at 11:45.

Q Did Colby say he would stay?

MR. NESSEN: Colby at the President's request has agreed to remain as Director of the CIA until a successor is confirmed and qualified. During that period he will have the full authority that he has always had at the agency.

The meeting lasted from 11:30 to 11:45.

I said yesterday I thought that was what was going to happen but I would have to check.

Q Would you ^{REQUEST} request that?

MR. NESSEN: Colby at the President's request has agreed to remain as Director of the CIA until a successor is confirmed and qualified.

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Q What does that mean, "and qualified"?

MR. NESSEN: It is a legal term that has to do with when they take their oath and so forth.

Q What was your next sentence?

MR. NESSEN: During that period he will have the full authority that he has always had at the agency.

Q Ron, you chose the word "retirement" in mentioning Colby earlier. He was not asked to resign? That is the word -- that he retired.

MR. NESSEN: No, I meant retire from his present job.

Q Who else attended that meeting?

MR. NESSEN: Just the two, as far as I know.

Q Does Church's statement about Bush which included, as I understand it, a statement that he was not going to support him for confirmation at this point -- does this concern the President that Bush may not be confirmed?

MR. NESSEN: No, the President thinks George will be overwhelmingly confirmed. He was confirmed unanimously for UN Ambassador, another important job.

Q What is the status of General Walters as Deputy? Is he going to be asked to remain or to leave?

MR. NESSEN: I have not heard anything other than that he is remaining.

Q How about a deputy for Scowcroft? Will it be William Highland?

MR. NESSEN: I have nothing on a deputy for Brent at this time.

Q Ron, will General Scowcroft resign his commission?

MR. NESSEN: He has asked the Counsel's Office to look into whatever the legal requirements are and obviously will abide by them.

Q The President's decision to call Colby in this morning and ask him to stay on for the duration until Bush is confirmed, was that prompted by soundings from the Hill that the Bush nomination was in trouble?

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MR. NESSEN: No.

Q Does the President have people in mind yet for Peking and St. James?

MR. NESSEN: No.

Q Ron, why did you answer one question about Senator Church and not the other?

Q You were asked yesterday if he had public reaction to the President's announcement of a shake-up in his press conference. What about telegrams and telephone calls and reactions to the President's Monday night announcement?

MR. NESSEN: I have not checked them today, Phil.

Q Ron, the first time I think I can recall since before he became President there are headlines suggesting that he was not honest, that he did not tell the full story in his Monday night news conference. Now the President obviously saw some of those stories today when he read the papers. What is his reaction to the questioning of his credibility?

MR. NESSEN: Well, I am tempted to read the Washington Post editorial but nobody will like it if I do, so I won't.

Q We can read our own editorials.

MR. NESSEN: I know that.

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Q What are the changes in the national security area that you referred to?

MR. NESSEN: I think Jim was referring to what the President said the other night about the certain changes in NSC or national security procedures here in the White House in terms of arrangements and the President's schedules for dealing with this area and so forth.

Q Has the President seen Secretary Kissinger today?

MR. NESSEN: He has seen him for his regular daily meeting.

Q Will this continue until this other procedure is set up?

MR. NESSEN: Yes.

Q Will it continue until Rumsfeld is confirmed?

MR. NESSEN: I don't know, Lou.

Q When is the procedure going to take effect, do you know?

MR. NESSEN: As soon as the President decides on what he wants it to be.

Q Ron, is there any particular reason for cancelling this morning's bipartisan leadership meeting?

MR. NESSEN: I think mostly because he saw them the other night and it has just been slipped to later in the week -- no special reason.

Q Ron, can you get us --

MR. NESSEN: Let me hear from Muriel.

Q When the President fired Colby on Sunday, did Colby expect to continue at the CIA or did he understand that he would be leaving; and if he did expect to be leaving, why did the President have this meeting?

MR. NESSEN: Well, the matter was not really resolved on Sunday is why he came in today to get it resolved, and it is resolved.

Q Was the President just going to leave the agency sort of leaderless in the middle of an investigation?

MR. NESSEN: No, I think it was just one of the matters that had not been decided on Sunday.

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Q Isn't it presumed because it is normal that the Director would stay on until the new man comes in?

MR. NESSEN: That is what I said yesterday, that I assumed it would be that way but I would check.

Q Is Schlesinger going to stay on?

MR. NESSEN: Jim Schlesinger has expressed a desire to leave some time this week.

Q At whose initiative was today's meeting?

MR. NESSEN: The President's.

Q Ron, is George Bush staying in Peking only for the visit reason?

MR. NESSEN: Well, the exact confirmation schedule for George has not been set up yet, but, you know, two possible ways to do it would be for him to come back and have his hearings and then go back with the President for the visit or to stay there and come back and have a confirmation hearing after the President's return, but that has not been arranged.

Q Ron, you said that Secretary Schlesinger had expressed a desire to leave this week. Isn't it really true that he had been ordered by the White House to clean his desk and be out of there by Friday?

MR. NESSEN: I am not aware of that.

Q One more question on this rapport between Schlesinger and Ford. When the President agreed with Schlesinger about the budget cuts that were made, did he agree with Schlesinger's assessment that they were arbitrary and savage?

MR. NESSEN: I don't think the President used those exact words.

Q But since their views coincide so closely as you --

MR. NESSEN: Well, I like to use my own words, Bob, and I said that the President agreed that all the cuts except those relating to Indochina should be restored.

Q That is right.

Q Well, Schlesinger called that arbitrary and savage. Did the President's feelings run that deeply?

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MR. NESSEN: I have no idea, Walt. You know his record on defense and security matters; it is his belief and I expect him to stick to it.

Q Ron, why was Sunday morning picked as the time for this? The President chose Sunday morning as the time for pardoning Nixon. Does he like Sunday morning, or what is the reason?

MR. NESSEN: I think many of you know that the President had intended to announce this on Wednesday or Thursday and when parts of it were published and broadcast, he decided to move up his timetable and announce it on Monday night. He had decided in his own mind approximately a week before that.

Q Wait a minute, though, Ron. That timetable does not square because Newsweek Magazine comes out on Sunday afternoon and Schlesinger and Colby were called in on Sunday morning.

MR. NESSEN: Well, as Tommy DeFrank will tell you, he came around on Friday to tell us that he had a big story that he was going to come around and ask about on Saturday and he did come around and ask about it on Saturday and then called various people later in the afternoon and early in the evening to tell them that they had another part of the story and it was about the time of the second Newsweek call that the President decided that he needed to do it sooner rather than later.

Q In anticipation of leaks?

MR. NESSEN: There was a leak. Newsweek indicated on Friday they had the story and on Saturday notified the White House of two specific pieces of the story.

Q Did the White House decide who did the leaking?

MR. NESSEN: I don't think any effort has been made to find out.

Q Ron, if the President didn't consult anyone else on this, who leaked it? (Laughter)

MR. NESSEN: I think you won the Deakin award of the day. (Laughter)

THE PRESS: Thank you, Ron.

MR. NESSEN: Wait a second, Frank, if you don't mind. I would like to get the knife out and pull myself off the wall before you close off the briefing, if you don't mind.

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Q Was it The Reverend John Harper over across the way?

MR. NESSEN: May I answer, Les?

Q Certainly.

MR. NESSEN: I think some of you know that the President notified some of the people involved the previous Saturday and then during last week an additional small group of people were told about the contemplated change.

Q You mean a week before last Saturday he told some of the people involved?

MR. NESSEN: Yes.

Q When were you told?

MR. NESSEN: Well, I think I will keep that to myself, Ann.

Q Just along that line, what about the report that the President initially sounded out Mr. Richardson for the CIA post?

MR. NESSEN: I don't know, I have never heard that.

Q Ron, these were close associates that were notified?

MR. NESSEN: Yes, obviously.

Q So one of his close associates then leaked the story?

MR. NESSEN: I don't know how you would make that assumption, Russ.

Q You mean the people being removed are annointed, is that what you are saying?

MR. NESSEN: Yes.

Q Both, Ron?

MR. NESSEN: Some of each.

Q One from Column A and one from Column B.

MR. NESSEN: Right.

THE PRESS: Thank you, Ron.

END

(AT 12:24 P.M. EST)